Allianz

Contents

Executive Summary

Basis of Report

With this document, Allianz Risk Transfer AG presents its Solvency and Financial Condition Report (SFCR).

This report is a key element of “Solvency II”, the first harmonised Europe-wide system of financial supervision for primary insurance companies and reinsurance companies, which entered into force on 1 January 2016. Its legal basis is the Solvency II directive issued by the European Parliament and the European Council on 9 November 2009 (Directive 2009/138/EC of the European Parliament and of the Council) on the taking-up and pursuit of the business of Insurance and Reinsurance, and which was transposed into the law of Liechtenstein by a fully revised Insurance Supervision Act (VersAG), which came into force on 1 January 2016.

Further precision was provided by the European Commission in the form of a delegated regulation on 10 October 2014 (Delegated Regulation 2015 of the EU Commission, or the "Solvency II Regulation), which is directly applicable as a delegated act in the Member States of the European Union and the European Economic Area.

Further details are set out in the implementing technical standards, the guidelines of the European Insurance and Occupational Pensions Authority (EIOPA), and the notices issued by the Financial Market Authority of Liechtenstein (FMA).

Solvency II flanks risk-based solvency regulations for the equity base with quality-related requirements for the risk management aspect and enhanced reporting duties. In addition to the narrative report to the public presented here, there are obligations to report quarterly figures to the supervisory authority, including a number of electronic reporting forms, additional extensive quality and quantity-based reports to the national supervisory authority and, not least, ad-hoc reporting whose purpose is to notify the supervisory authority in a timely manner of significant events and decisions by management.

Alongside the reporting required under Solvency II, there are the requirements to which annual financial statements are subject under Liechtenstein Persons and Companies Act (Personen- and Gesellschaftsrecht – “PGR”) and the associated reporting duties continue unchanged here.

According to the principles of this still relatively new supervisory system, this report is written from a risk-oriented viewpoint and identifies how the company addresses risks. To this end, the company uses a standardised procedure to evaluate and describe its main business processes. In addition, assets and liabilities valued in economic terms (at market value) are compared with one another in the so-called Solvency Overview. The excess of assets over liabilities is shown here as the equity base.

The Allianz Group has an approved, partial Internal Model for determining the Solvency Capital Requirements, which it refines on an ongoing basis. Allianz Risk Transfer AG (ART AG) uses the standard model.

Content

The remarks in this report take into account the expert knowledge of the intended recipients. The report's structure follows the general recommendations of the European Insurance and Occupational Pensions Authority (EIOPA) and consists of five chapters, all of which are for the reporting period from 1 January to 31 December 2021.

Section A (Business Activities and Performance) contains detailed information about the position of Allianz Risk Transfer AG (ART AG) within the Allianz Group's legal structure and a description of the company's main business segments. It also provides qualitative and quantitative information about underwriting performance during the reporting period, both at the aggregate level and broken down into the main business segments. Finally, the first section provides information on investment results, both overall and broken down into asset classes, as well as on their composition.

Section B provides a description of corporate governance (also referred to as the governance system) at ART AG. This includes information on the organisational structure and workflows, in particular
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Introduction

Affiliated Companies of ART AG

Company	Registered office	Share %
Allianz Global Corporate & Specialty do Brasil Participações Ltda.	Sao Paulo	99.9

As a result of Brexit entering into force and the restrictions on the freedom to provide services in the European Economic Area (EEA) associated with it, Allianz Risk Transfer (UK) Limited ceased its business activities in September 2020. The returning of its operating licence was approved by the Financial Conduct Authority (FCA) in December 2020. Allianz Risk Transfer (UK) Limited submitted its application for voluntary liquidation and concluded this in 2021. The company's removal from the companies register was completed on 20 November 2021.

Apart from the closure of Allianz Risk Transfer (UK) Limited and the final closure of the Dubai office,

Underwriting Result

EUR thousand	2021	2020
Gross premiums written	1,555,070	1,363,226
Net premiums earned	264,714	246,465

Direct & Proportional Reinsurance Business

In 2021, the direct insurance business and propor-

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The following section presents the underwriting result based on key performance indicators.

A.3 Capital investment result

Market situation
In 2021, the world remained in the grip of the COVID-19 pandemic. The progress made in the vaccination campaign against the coronavirus, the spread of viral variants and inflation concerns, mainly driven by supply chain bottlenecks and rising energy prices, were all themes that dominated events on global capital markets in 2021.

Following the breakthrough in the development of a vaccine against the coronavirus at the end of 2020, the focal issue for the financial markets in 2021 was the speed by which the economy would reopen. The rapid recovery in business profitability after the pandemic-induced slumps last year frequently exceeded expectations, bolstered the economy's growth prospects and boosted share prices. The MSCI AC Index was up 28% at the end of October 2021 (in EUR). At the same time, regional share price performance was quite varied. While US share prices surged from one all-time high to the next (S&P 500 approx. +38% in EUR, including dividends), shares in emerging markets had to contend with political and regulatory interventions in China, among other things, and moved mainly sideways (MSCI EM in EUR: +4.7% owing to exchange rate effects).

What was remarkable was the change in raw material and energy prices. Following a brief negative trend in crude oil prices on futures markets in the spring of 2020, a new upward trend took hold. In the course of 2021, these increased by almost 70% (in EUR), driven by significantly higher demand than supply. The increase in prices for natural gas was even more pronounced, especially in Europe. These movements ensured that long-forgotten inflation would become one of the main concerns of market participants and was expected to be around 5% in the European Monetary Area by the end of 2021.

Central banks around the world maintained loose monetary policies in 2021 as part of the pandemic response. As the year went on though they found themselves under increasing pressure to defend their credibility on inflation targets.

Central banks' pandemic-related securities purchases in Europe and North America are expected to come to an end in 2022, with the unwinding of ultra-loose monetary policy in the US expected to be much more significant – with three to four interest rate hikes and measures to reduce central banks' balance sheets.

In light of rising inflation rates and the anticipated phase-out of monetary policy measures, interest rates rose in 2021: In the 10- to 20-year maturity range by approx. 30 to 55 basis points in the euro area and 45 to 65 basis points in the US. However, with increases of over 90 basis points, it was primarily the short-term USD interest rates (2 to 5 years) that anticipated the expected key interest rate hikes. As a result, low-risk fixed-income securities such as government bonds and covered bonds in particular came under pressure in 2021. Corporate bonds faced two opposing developments, the first being that rising interest rates again led to falling bond prices. Conversely, risk premiums fell, driven by the positive economic development, which in turn supported bond prices. Investors in the broader corporate bond market with good credit ratings in EUR therefore incurred only slight losses of around 1% in 2021.

Investment result
ART AG broadly maintained its strategic asset allocation (SAA) in 2021 with the aim of keeping the earnings position stable in a difficult market environment.

Investment income amounted to EUR 13.5 million in 2021, well above the previous year's figure (EUR -4.3 million.) The loss in 2020 was chiefly due to the write-down of AGCS Resseguros Brasil S.A. amounting to EUR 21.1 million, which was taken into account in the investment result for 2020.

Type of Investment	Current Income		Profit		Loss		Write-backs / Write-downs		Investment Result	
EUR thousand	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Investments in affiliated/associated companies	0	0								

A.4 Development of Other Activities

There were no noteworthy transactions under other business activities in the year under review.

ART AG did not enter into any significant lease agreements.

A.5 Other Disclosures

As already mentioned, the corporate structure of ART AG has changed: (i) as of 1 March 2021, the branch office in Dubai was fully erased from the local registers. Business activities were discontinued back in September 2020 and the run-off was transferred to the head office in Schaan; (ii) as of 20 November 2021, ART AG's subsidiary in the United Kingdom, Allianz Risk Transfer (UK) Ltd, a financial services intermediary, was deleted from the companies' register, following the return of its licence from the Financial Conduct Authority (FCA) back in December 2020.

All relevant information regarding the business and performance of ART AG has been addressed in the previous sections.

B.1.1 Board of Directors and Executive Board

B.1.1.1 Board of Directors –

B.1.1.2 Board of Directors – Composition

During the 2021 year under review, the Board of Directors was composed as follows:

President: Joachim Müller

Any member of the Executive Board and any member of ART AG's management team shall be entitled to submit any matter associated with his/her area of responsibility to the Executive Board for a decision and/or to request the approval of the Chief Executive Officer. These persons are also entitled to submit matters that are of fundamental importance to the company and that relate to other areas of responsibility to the Executive Board and/or to the

B.1.1.7 Committees

The Executive Board establishes committees to carry out certain responsibilities. The committee structure can be modified by the Executive Board at any time upon the recommendation of the Chief Executive Officer. The Chief Executive Officer appoints and dismisses the members and chairpersons of the committees with the approval of the Executive Board. The rights and obligations of the individual committees are laid down in separate committee charters.

The Local Investment Management Committee provides support to the Executive Board with investments and monitoring of the investment portfolio. The Board of Directors has ultimate responsibility for the investment strategy.

The Risk Management Committee is responsible for establishing and maintaining independent oversight of ART AG's risk management activities. It is the main decision-making body for risk management issues at ART AG.

The Loss Reserve Committee makes decisions regarding the quarterly assessment of underwriting obligations pursuant to IFRS and as part of this process reviews associated activities, developments and information.

The Financial Disclosure & Reporting Committee helps the Chief Executive Officer and the Chief Financial Officer of ART AG to fulfil their responsibility to file IFRS financial statements and related information in full, accurately and on time.

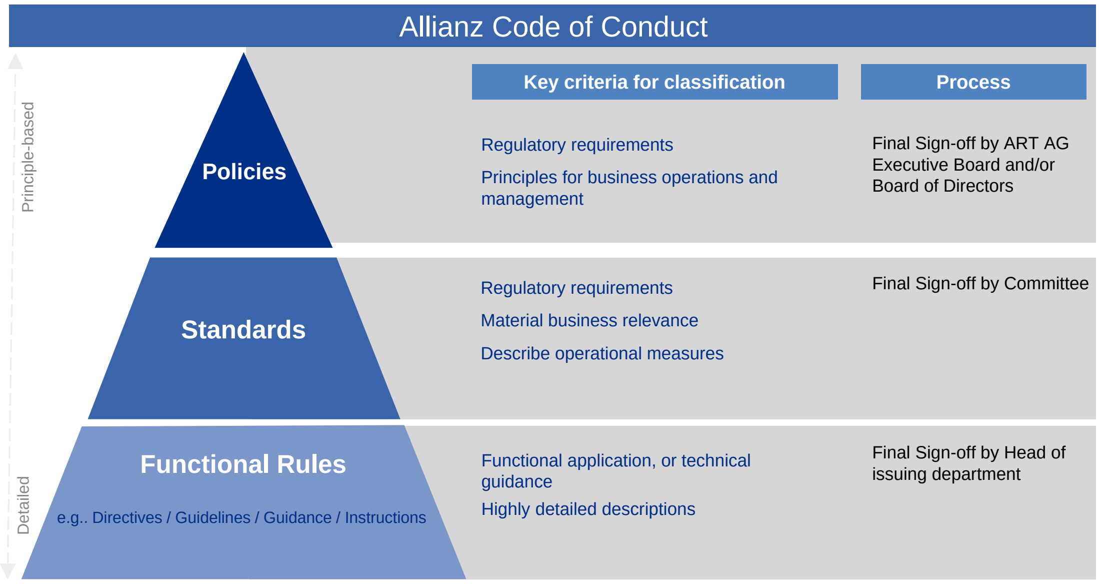
The Procurement & Outsourcing Committee manages and oversees ART AG's outsourcing and procurement activities.

B.1.2 Set of Rules

B.1.2.1 Company Rules

Company rules include all internal rules established by an authorised party with the intention of creating a company-wide binding standard or a binding guideline. Every company rule must be documented and approved by the relevant panel. There is a defined set of rules within the AGCS Group that describes the relevant criteria for drawing up and updating company rules (including the underlying rule-definition process). ART AG follows the classification and approval concept contained in the set of rules for the AGCS Group. The set of rules encompasses four levels:

- Code of Conduct;
- Policies;
- Standards and
- Functional Rules.



B.1.2.2 Three Lines of Defence Model

A basic component of ART AG's control framework is the Three Lines of Defence Model described below.

The separation between various lines of defence is principle-based and defined by the following activities.

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The third line of defence provides independent monitoring of the first line of defence and the second line of defence. In particular, its activities include:

In close consultation with risk management, the compliance function assesses the compliance risk for assigned risk areas on an annual basis and monitors the implementation of appropriate measures to minimise risk.

To fulfil its duties, the compliance function has established a global compliance framework in collaboration with the operating entities, which the Allianz Group compliance function regularly reviews as part of a maturity analysis to ensure that it is appropriate and effective.

B.1.3.3 Risk management function

Risk management is headed up by the Head of Risk Management, who reports to the Chief Financial Officer of ART AG and to the Chief Risk Officer of the AGCS Group. The Head of Risk Management chairs ART AG's Risk Management Committee and is a (non-voting) member of other ART AG committees.

ART AG's risk management function, which is embedded in the AGCS Group's risk management, includes the following duties, among others:

- Helping the Executive Board of ART AG and other functions to use the risk management system effectively;
- Monitoring the risk management system;
- Monitoring the overall risk profile of ART AG;
- Providing detailed reporting on ART AG's risk exposures and advising the Executive Board on risk management issues, including on strategic concerns relating to corporate strategy, mergers and acquisitions or larger projects and investments as well as identifying and assessing emerging risks.

B.1.3.4 Internal Auditors

Audit forms the third line of defence. Internal Audit is headed up by AGCS's Global Head of Internal Audit, who reports to the Audit Committee of the Board of Directors. Internal Audit, which is outsourced to AGCS SE on behalf of ART AG, regularly carries out an independent review of the organizational structure and workflow of the risk management system. In addition, quality reviews of risk processes are conducted and adherence to business
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B.1.4 Compensation System

Selected key figures from the budgets form the basis for financial and operating targets, which reflect the strategy of the Group and of ART AG. As stipulated, this is intended to:

- Prevent excessive risk-taking;
- Help prevent conflicts of interest;
- Ensure that risk-taking does not exceed the operating unit's risk-tolerance limits; and
- Adequately reflect the main risks, including with respect to their time horizon and their effect on the company's overall success.

ART AG has implemented the Allianz Group's performance management system. The Allianz Group's global compensation system has been adjusted to support Allianz's strategic Renewal Agenda. In addition to Group or company key financial performance indicators (KPIs), the compensation system considers an employee's individual performance (including the Executive Board), which is measured on the basis of quantitative and, primarily, qualitative criteria. This approach promotes a stronger focus on the behavioural aspects of performance (including compliance) and sets a common standard which is intended to advance cultural change throughout the Group.

(or similar document) and proof that the candidate

The impact on risk capital is taken into account in major business decisions. Calculation and aggregation is performed consistently across all business segments to set a standard for measurement and to be able to compare risks.

Stress scenarios are also examined as part of the solvency assessment, to ensure that adequate capital is available to protect the company against unexpected and extreme economic scenarios.

Basic Principle 3: Clear Definition of the Organisational Structure and Risk Management

B.3.1.4 Resources

The risk management function at ART AG has adequate resources to fulfil its responsibilities properly and with a focus on risks. Once a year, the tasks of the risk management function for the coming year are discussed and stipulated. Priorities

B.3.3 Specific Material Risks to ART AG

B.3.3.1 Framework of the Top Risk identification process

Risk Category	Definition
Market Risk	Unexpected losses due to changes in market prices or a change in parameters that affect market prices, as well as risks arising from options and guarantees embedded in contracts, or changes in the value of assets or liabilities of participating interests resulting from changes in the relevant parameters. In particular, this includes changes in ek51.65362 nt3.5 (d)-4.8n p-6.2 (s i)4.8 (n e

B.3.4 Own Risk and Solvency Assessment

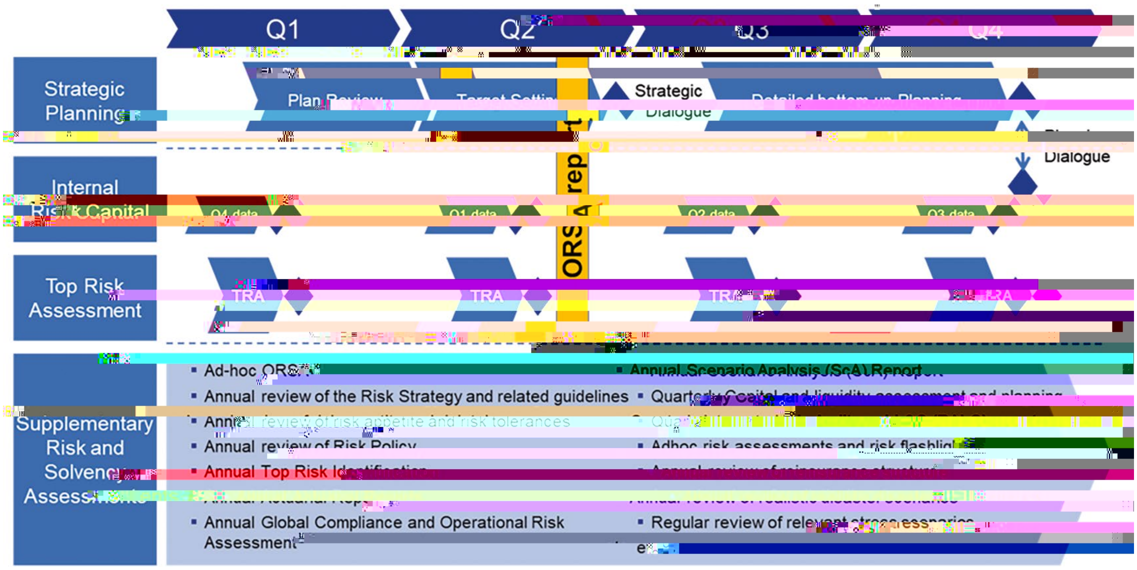
The Company's Own Risk and Solvency Assessment (ORSA) outlines the comprehensive evaluation

The main findings and resolved measures derived on the basis of the ORSA processes are summarised in an ORSA Report. The risk management function coordinates the preparation of the ORSA Report, which contains all information relating to risk that is relevant to the result of the ORSA assessment. The Report is normally finalised by the Executive Board in the second quarter of the fiscal year. The final draft of the ORSA Report is submitted to the Head of Risk Management at ART AG for review. The ART AG Risk Committee discusses the result of the ORSA report and – if no changes are necessary – recommends the report for approval to the Executive Board. Furthermore, the ORSA report is presented to the Board of Directors for acknowledgement.
The final ORSA Report is also provided to everyone who holds a key role in decision-making processes relating to the corporate strategy, the risk strategy and risk and capital management (for example, ART AG's Key Function Holders).

The annual preparation of the report also takes into account feedback from the most recent reviews of previous years' ORSA Reports (e.g. in the event of modifications to external requirements).

The ORSA Report for the 2021 fiscal year contained no objections or significant recommendations to the Executive Board. Instead, the overall solvency requirement was adequately reflected in the Solvency II ratio and ART AG currently sees no need for an adjustment. Solvency is deemed to be satisfactory, both as of the reporting date of 31 December 2021 and across the planning period to 2024.

The graphic "ORSA Process" shows the time sequence for the most important process steps and how they are linked to each other. The appropriateness of the ORSA processes is reviewed annually.



B.4 Internal control system

B.4.1 Key elements of the internal control system

ART AG has implemented an Internal Control System, which is known as an integrated Risk and Control System, which ensures that significant operational risks are identified and assessed and that effective controls or other measures are in place to mitigate significant operational risks. The concept of the integrated Risk and Control System

B.4.3 Fit and Proper Requirements

The Head of Compliance at ART AG holds the key function for the compliance function. The holder of this function must have adequate qualifications and the necessary practical experience to be able to perform the tasks of the compliance function, taking into account the complexity of the company and its activities and the principle of proportionality. This also specifically includes:

- Knowledge of the applicable internal and external legal requirements and regulations;
- Knowledge of the insurance markets;
- Knowledge of the business strategy and business model of ART AG and the AGCS Group; and
- Knowledge of the internal organisational structure and workflows of ART AG and AGCS SE.

B.4.4 Resources of the Compliance function

The resources of the compliance function at ART AG (and the AGCS Group) are planned and used in such a way that tasks can be carried out preed anine red an12.3 (y t)(G)5 eegard tisk. Planning takes place
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B.4.6 Substantial changes

The Compliance function was also involved in several new initiatives in 2021:

- A new Code of Conduct was launched in the first quarter of 2021 via a global campaign, with targeted awareness training and communication, and a message introduced top downwards;
- The function participated in several compliance initiatives across the Allianz Group, including the improvement of the compliance review framework and methodology;
- The function also underwent the CARE assessment, the Allianz Group's new compliance risk and maturity assessment, and
- The function continues to contribute to the new ART and AGCS initiatives and objectives, with a focus on compliance requirements and controls.

With the exception of the new initiatives referred to above, there were no other significant changes related to tasks, procedures or structure in the year under review.

B.5 Internal Audit function

Internal Audit is a key function within ART AG's Internal Control System.

Internal Audit is an independent and objective audit and advisory function that aims to create added value and improve an organisation's business processes. It supports the organisation in achieving its goals by assessing the effectiveness of riss

Audit preparation includes an analysis of the theme of the audit, appropriate assessment of risks, induction into the subject matter of the audit, detailed planning of the procedure for the audit and the obtaining of information.

The audit implementation phase includes the following activities: opening discussion, audit activities (field work), documentation of audit activities, determining the results of the audit and follow-up discussion/concluding discussion. The activities that are necessary in connection with this are stipulated and documented in an internal audit document, i.e. the audit programme.

Internal Audit draws up an audit report immediately for each audit as part of its reporting activities. The aim of this is to provide brief, concise and targeted information to the Chairman of the Board of Directors, the senior level of management that is responsible and the units being audited about the object of the audit and the audit results.

After the audit report has been distributed, Internal Audit verifies the timely implementation of the agreed measures relating to the audit findings by the responsible units specified in the audit report (follow-up). In monitoring the progress of implementation, Internal Audit follows all findings irrespective of the risk content.

ART AG has a duty to issue internal company guidelines as part of its organisation of the business. Mandatory guidelines have been adopted by ART AG as part of this (adaptation of the AGCS Audit Policy).

The AGCS Audit Policy constitutes an internal company guideline for Internal Audit (and which has also been implemented by ART AG). As a rule, it is reviewed annually and where there are special reasons for doing so. A central process coordinated by the legal function, was established for this purpose. The unit that is responsible for the subject area firstly reviews the guideline to determine whether it needs to be adapted. If any changes are immaterial, the revised version is submitted to the member of the Executive Board who is responsible and to the Chief Executive Officer for approval. Any material changes are also submitted to the full Executive Board and – in the case of fundamental changes – to the Board of Directors for approval, and are then made known within the company.

The structure and correct organisation of Internal Audit as a key function is detailed in the AGCS Audit Policy adopted by the Executive Board, and its takes account of the regulatory guidelines of the Insurance Supervision Act (Versicherungsaufsichtsgesetz) and the requirements of Group Audit. Alongside the organisational structure and position of Internal Audit within the company, this guideline describes the principles of the audit activities, tasks, responsibilities and main processes, as well as reporting lines and rights to information. The AGCS Audit Policy builds on the guidelines in the Allianz SE Group Audit Policy.

The AGCS Audit Manual supplements and clarifies the AGCS Audit Policy and is reviewed and published by the Head of Internal Audit each year and where there are special reasons for doing so.

Internal Audit has a duty to report any material findings from its area of responsibility to Group Audit immediately.

Internal Audit carries out its tasks autonomously and independently. The Executive Board and Board of Directors ensure that Internal Audit is functionally independent, within the framework of the AGCS Audit Policy approved by them, to maintain the functionality of the company's business organisation (including information and audit rights). This independence is further protected by the position of Internal Audit within the organisational structure; it is independent of the “first and second line of defence” functions.

Internal Audit is not bound by any instructions or subject to other influences when conducting audits, reporting or evaluating the results of audits.
The Audit Committee of the Board of Directors can order additional audits within the scope of its decision-making authority without this affecting the autonomy and independence of Internal Audit.

Internal auditors assess all the relevant facts in a balanced way and do not allow their opinion to be influenced by their own interests or those of others. In principle, employees working in Internal Audit may not perform any tasks that are not or do not appear to be in line with audit activities.

Internal Audit shall conduct audits with the necessary expertise and an appropriate level of professional care. Employees in Internal Audit shall apply the maximum degree of expert objectivity when collating, assessing and forwarding information on audited actienTJ0.6teerud3.3 (i)-o7 (i)enhorat sh-

B.6 Actuarial function

Section B.1.3.1 describes how the actuarial function is implemented within ART AG.

B.7 Outsourcing

ART AG applies the global Outsourcing Policy of the AGCS Group (AGCS Outsourcing Policy), reflecting the significance of outsourcing. All of the requirements

Critical and Important Outsourcing Agreements of ART AG

Service provider for ART AG	Country	Description
Allianz Investment Management SE	Germany	Investment Services *
Allianz Global Investors (Schweiz) AG	Switzerland	Investment Services *
PIMCO Europe GmbH	Germany	Investment Services *
Allianz Global Corporate & Specialty SE	Germany	Internal Audit **

* Responsibility for function – Chief Financial Officer
** Responsibility for function – Chief Executive Officer

As part of our digitalisation endeavours, our
application to outsource the Microsoft 365 applica

ART AG allocates all risks into one of eight risk categories (see Section B.3.3.3). ART AG's risk profile is described below based on these eight categories.

C.1 Underwriting Risks

Underwriting risks are risks arising from obligations of the direct insurance business (non-life insurance business) and the reinsurance business (all risks) relating to the risks covered and the processes used

The sensitivity of the underwriting risk is analysed through sensitivity analyses and stress tests. Here, sensitivity to higher business volumes is analysed, along with the impact of major losses and sensitivity to claims reported at a later date and losses that develop at a later date.

C.2 Market risk

C.2.1 Risk Exposure

ART AG defines market risk as the risk of loss due to changes in market prices or in parameters that result in changes in the market prices of financial assets and liabilities. This also includes changes in market prices due to a deterioration in market liquidity.

One significant aspect of insurance business is the investment of the insurance premiums. ART AG employs financial instruments for this purpose. These equity investments provide hedging for

ART AG's **spread risk** is driven by its fixed-income securities portfolio, loans and balances at banks.

ART AG normally holds fixed-income securities to maturity. As a result, short-term changes in market values have no negative financial effects on us. As a long-term investor, ART AG therefore has the option to invest in securities the spreads of which are above the risk-free rate, and also to realise these spreads.

- Identifying and controlling market risks;
- Monitoring compliance with limits;
- Internal reporting to management and external reporting (including reporting to the supervisory authority) regarding market risk; and
- Optimising the portfolio in terms of profitability and market risk.

Business Prudence Principle

ART AG's assets are invested in accordance with the business prudence principle (Article 80 VersAG):

- ART AG invests only in assets and instruments whose risks it can adequately identify, measure, monitor, manage, control and report and which it can adequately consider in determining the total Solvency Capital Requirement, and
- All assets, in particular those covering the Solvency Capital Requirement and the Minimum Capital Requirement, shall be invested in such a way as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. Assets held to cover the technical provisions shall be invested in a manner appropriate to the nature and maturity of the insurance and reinsurance liabilities.

The Strategic Asset Allocation (SAA) defines the investment strategy for ART AG's investment portfolio. It is therefore an important, supplementary instrument for managing the market risk.

The SAA is based on an analysis of assets and liabilities and a medium-term performance perspective. In structuring the SAA, great care is taken to ensure suitable target levels for quality and security, e.g. ratings, additional collateral and

C.3 Credit Risk

C.3.1 Risk Exposure

ART AG defines credit risk as the possible loss in value of the portfolio within a defined time horizon caus

Along with both of the goals mentioned above, the following aspects are taken into account:

- Reporting and managing the risks assumed;
- The management of limits per counterparty and country; this also includes maintaining lists of counterparties subject to particular scrutiny (Watch List) or with which no business should be concluded (Black List);
- Business planning and capital management;
- Controlling the investment portfolio;
- Complying with investment accounting (including auditing required write-downs) and
- Including credit risks when estimating the price of insurance policies.

ART AG monitors and controls credit risk exposures and concentrations in order to ensure that it is in a position to satisfy its insurance obligations at all times. ART AG is supported in this by the Allianz Credit Risk Platform (CRisP), an Allianz application for monitoring and controlling credit risks. Among other things, the CRisP application makes it possible to:

- Set limits for individual debtors or groups of debtors; and
- Monitor and control limits based on reporting, including notification of updates for data and limits on names of counterparties who either are subject to a special audit (Watch List) or with whom no business should be concluded (Black List).

The Allianz Group assigns credit limits to Allianz companies in a centralised process via CRisP. CRisP calculates the maximum limit for individual counterparties based on a large number of factors (such as the debtor's rating, total assets,

C.4 Liquidity Risk

C.4.1 Risk Exposure

Liquidity risk is defined as the risk that utilizations under current or future payment obligations cannot be satisfied or can be satisfied only under terms and conditions that have undergone adverse changes. Above all, liquidity risk may arise if, over time, there are mismatches between cash flows on the asset side and the liability side.

The main objective in planning and controlling ART AG's liquidity position is to ensure that the company is always in a position to satisfy its payment obligations. To accomplish this goal, ART AG continuously monitors and forecasts its liquidity position on a continual basis.

Liquidity planning for each of the next three years is carried out as part of strategic planning. It takes into account conditional liquidity requirements and liquidity sources in order to ensure that ART AG can satisfy future payment obligations.

Risk mitigation measures must be prepared and sent to Group Risk Management as soon as any limit is exceeded under at least one scenario examined in the Liquidity Risk Report. Depending on the size of the liquidity gap, there are various escalation levels that require the involvement of the Risk Management Committee. An example of such a mitigation measure is the cancellation of a planned activity that would negatively affect the company's liquidity profile.

The expected profit taken into account in connection with liquidity risk, which is contained in future premiums, totals EUR 12.8 million at year-end 2021. This expected profit that is factored in to future premiums comes mainly from the AGCS Switzerland Division and ART's LoB business. Overall, the expected profit factored into future premiums is down on the previous year's figure (EUR 19.8 million), which is primarily down to the cessation of internal reinsurance (RI Bouquet). The total contribution of the expected profit factored into future premiums per segment is calculated

C.5.2

C.6 Other Material Risks

C.6.1 Strategic Risk

The strategic risk is the risk of an unexpected negative change in company value due to management decisions with a negative effect on the business strategy and its implementation.

This risk is estimated and analysed every year as part of the Top Risk Assessment process and is therefore within ART AG's risk tolerance, and so remains unchanged from the previous year.

Strategic controls are used to ensure that the strategic targets in the current business plan are correctly implemented. The company monitors market and competitive conditions, capital market requirements, regulatory conditions, etc. continuously in order to decide whether strategic adjustments need to be made. Strategic decisions are also discussed by various committees at the level of the Executive Board (e.g. by the Risk Management Committee). The Head of Risk Management is represented on all strategically relevant committees. Assessing the relevant risks is a core element of such discussions.

D Valuation for Solvency Purposes

Comparison of Balance Sheet Figures

ASSETS			
Dec. 31, 2021 in EUR thousand	Solvency II	PGR	Difference
Intangible assets	–	–	–
Deferred tax assets	4,888	0	-4,888
Surplus in retirement benefits	–	–	–
Real estate, property, plant & equipment and inventories for own use	3,229	911	-2,318

D.1

Collateralised securities
Market values are provided by independent commercial banks. They are generally calculated using valuation models that in turn are based on available market data.

PGR: These are carried at amortised cost.

D.2 Measurement of Technical Provisions and Amounts Recoverable from Reinsurance Contracts

Under Solvency II, technical provisions have three components: premium provision, provision for claims and risk margin.

Premium provision is defined as the discounted best estimate of future cash flows (claim payments, expenses, premiums) relating to obligations under future events covered by policies in existence on the valuation date. Claim provision is defined as the discounted best estimate of future cash flows (claim payments, expenses, premiums) relating to loss events occurring before the valuation date. The risk margin is defined as the amount in excess of the best estimated value that a third party assuming the liabilities on the valuation date would require in order to close the transaction.

ART AG's valuation of the premiums and claim provisions is initially undiscounted. In a second step, the future cash flows – separate, in each case, for premium provision and claim provision, as well as for the gross provision and reinsurance – are used to calculate an adjustment for the current monetary value of the cash flow (discounting). The risk margin is calculated using a blanket cost-of-capital approach, including discounting.

The following sections describe the calculation of the individual components, and in each case the undiscounted best estimate for the premium provision and claim provision on a gross basis and after reinsurance, the associated discounting and the risk margin. Next, the resulting technical provisions pursuant to Solvency II as of 31 December 2021 are presented and the approaches used to calculate reserve uncertainty are discussed. Finally, a comparison is made between the technical provisions pursuant to Solvency II and the corresponding provisions calculated in accordance with PGR. The main differences in measurement are described and presented quantitatively as of 31 December 2021.

For catastrophe claims, no IBNR provisions had been set up for unknown claims at the end of 2021, because it can be assumed that all losses incurred are already known. However, specific IBNR provisions were set up separately for events that were already known.

The methods described above are applied at the division level. A weighted completion factor is calculated for this purpose that is based on the factors for the individual underlying reserving segments (e.g. branch offices). The projected loss expenses serve as the weights. Reserving segments for which no completion factors were chosen during the annual analysis are not included when calculating the weighted completion factor for the division. In a second step, the IBNR provisions calculated at division level for the three relevant claims categories are allocated to the underlying reserving segments.

Internal Group Reinsurance and ART Division Business:
Specific (stochastic) actuarial models for reserving and risk-modelling are produced for the material transactions in this segment. The most suitable risk distributions and parameters are used for each transaction and the contractual arrangements, some of which are complex, are explicitly considered in the model. Smaller transactions are examined on a portfolio basis.

To calculate the IBNR provisions, the models are updated every quarter, every six months or at least every year, depending on the transaction and the availability of new data, and loss scenarios are simulated. The original assumptions from pricing and the actual claims experience are weighted using suitable credibility approaches in order to calculate the expected final loss burden as of the balance sheet date, which is then used to calculate and post the required IBNR provisions.

Discounting
Premium provisions and claim paim peda7.4 . (l)m prnarxpedi (r t)r4(r)-47.4eh4- (e)-5 (d)0.ptatlc30.3.7 (.9 (e)-12.(a)2.4 (l a)

Best estimate

EUR thousand	Premium provisions		Claim provisions
	Gross	Amounts recoverable from reinsurance contracts	

Risk of Change in Technical Provisions

ART AG, working jointly with AGCS SE, carries out an annual review of the risk of change to which the technical claim provision is exposed. The following approaches were applied in the various segments in 2021:

AGCS Switzerland and Dubai Division
The joint run-off triangles used are based on year-end data. The run-off patterns selected use the same basis – the gross figure or the gross figure after facultative reinsurance – as in the reserve analysis.

Two types of methods are generally used to determine the variance coefficients of the reserve risk: the bootstrapping technique (based on incurred Mack, paid Mack and paid over-dispersed Poisson) and a stochastic Bornhuetter-Ferguson method. The bootstrap procedures are essentially used for short-tail divisions and the Bornhuetter-Ferguson method for long-tail divisions. Both the suitability of the model and consistency with the reserve analysis play a role when selecting the method for the individual claims triangles analysed. For every claims triangle analysed, the standard error is calculated using the bootstrapping method and/or the Bornhuetter-Ferguson method. The suitability of the model is assessed based on the residuals and the comparison of simulated ultimate claim amounts with the results nn

Discussion of Material Differences between Solvency II and PGR in Terms of the Valuation of Technical Provisions and Amounts Recoverable from Reinsurance Contracts

Both Solvency II and PGR are based on the Best-Estimate Principle. Nevertheless, there are some differences, which are described below.

Premium Provisions (undiscounted)

Under Solvency II, premium provisions are set up for expected future claims and expr1 6.754 -1.395 T11s be

in15 (s)196 (u)3.8 (r)-617 (a)2-1 (n)-4.5 (c)-578 ((p)-10.5 (o)-4.4 (l-4.6 hi)-1.2 (hi)-1.2 (e)-6.2 (s))9.5 .(T)-11.5 (h)-7.4 (m p

hereamre(395 T11ss)-14.3 (s-.9 (v)-0.9 ns)10 tadl1-354fBewce e

pe (i11. 6.fl)154.8 (i)-1.2 c (c)-17.7 (a)1.5 (b)-8.9 (ep)-354 (u)-5.7 (o)-3.3 (v)-1241 (i59 (s)4.1 (i)-1.2 (o)-3.5 (n111s a)2.1

olvvcnd PGP F(o)-3.5 ((r)63.6 (e)24.1 el-)4.1 (e)-8.6 vpns-.9 (v)-1241 gumer1 07 (t)221.5 (s)-1224 ,e

Rn11tvi-595 (s)5.1 -0.9 (c)-6466 (a34.4 (l)-0.9 cus)5.1 la87.7 (t)-0.9 (v)112

Technical Provisions

D.3 Valuation of other liabilities

Below are separate descriptions of the bases, methods and main assumptions used to value each major group of other liabilities for solvency purposes, as well as comparisons with PGR principles.

Pension commitments
The pension provision contains net obligations arising from company pensions, whereby all existing pension commitments are classed as defined-benefit plans within the meaning of IAS 19. Pension commitments are offset against cover funds.
If cover funds exceed pension commitments, there will be no pension provision; instead, there will

Payables (trade, not insurance)
These are measured at fair value pursuant to IAS 39 and Article 14 of Delegated Regulation 2015/35, without taking into account changes in own default risk. Receivables and liabilities are netted where permitted by contract.

PGR: These are recorded at the repayment amount.

Other liabilities not shown elsewhere
These are measured at fair value pursuant to IAS 39 and Article 14 of Delegated Regulation 2015/35, without taking into account changes in own default risk. Receivables and liabilities are netted where permitted by contract.

PGR: These are recorded at the repayment amount.

D.4 Alternative Valuation Methods

As there are no listed market prices for ART AG's participating interests, these are valued using the adjusted equity method.

D.5 Other Disclosures

All relevant disclosures regarding ART AG's valuation for solvency purposes are contained in the preceding notes.

E.1.1

E.1.3 Amount and Composition of Own Funds

Total own funds amount to EUR 551.4 million and are composed of EUR 419.9 million of basic own funds and EUR 131.5 million of ancillary own funds. Basic own funds are equal to the excess of assets over liabilities from the Market Value Balance Sheet after deducting the expected dividend payment of EUR 149.1 million. They consist of the company's paid-in share capital, the statutory reserve, Basic own funds consist of EUR 415.0 million of Tier 1 own funds and EUR 4.9 million of Tier 3 own funds. These funds are uncommitted and can be used without restrictions to cover losses.

The paid-in share capital, the statutory reserve and the reconciling entry are classified as Tier 1, unrestricted own funds.

The amount equal to the value of net deferred tax assets is classified as Tier 3 own funds.

The full amount of ancillary own funds, which comes to EUR 131.5 million, is classified as Tier 2. Classification, amount and composition are unchanged compared with the prior year.

The table below shows the classification of basic own funds by tier:

E.1.5 Eligible Own Funds

Eligible own funds are those own funds that are available to fulfil the Solvency Capital Requirement (SCR) and/or the Minimum Capital Requirement (MCR) if quantitative maximum limits for tiers are applied to the available own funds.

After these maximum limits for tiers are applied, the total amount of own funds of EUR 551.4 million is available to meet the Solvency Capital Requirement (SCR) as of 31 December 2021. This results in

E.1.6 Changes in Own Funds

Total own funds decreased by EUR 23.8 million year on year. The ancillary own funds remained unchanged. Unrestricted Tier 1 basic own funds decreased by EUR 19.4 million, while Tier 3 basic own funds rose by EUR 4.4 million.

Of basic own funds, the paid-in share capital and the statutory reserve remained unchanged year on year. The reconciling entry fell by EUR 19.4 million, while net deferred tax assets dropped by EUR 4.4 million.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

ART AG uses the standard formula to calculate the Solvency Capital Requirement. To determine exposure to counterparty default risk, the amounts recoverable from reinsurance contracts were calculated using the simplified calculation stipulated in Article 107 of Delegated Regulation 2015/35. The company-specific parameters referred to in Article 59 VersAG were not used.

The table summarises the Solvency Capital Requirements at year-end 2021.

The diversified Solvency Capital Requirement after tax amounted to EUR 392.8 m Rn28t (q)32.4 (d t)-1.4 (o E)J0(d iefaul2iskm2tdpri(t)-1.11.5 (i)4.9 (s)2.4 (k)-22.2 ooounted Rto r(-0.

E.3 Use of the Duration-Based Equity Risk Submodule to Calculate the Solvency Capital Requirement

No duration-based equity risk submodule pursuant to Article 18 VersAV is used to calculate the Solvency Capital Requirement.

E.4 Differences between the Standard Formula and any Internal Models Used

ART AG does not use an internal model.

E.5 Non-compliance with the Minimum Capital Requirement and Non-compliance with the Solvency Capital Requirement

ART AG was in compliance with the Minimum Capital Requirement and the Solvency Capital Requirement at all times in 2021.

E.6 Other Disclosures

All relevant disclosures regarding ART AG's capital management are contained in the preceding notes.

In accordance with Article 4 of Implementing Regulation (EU) 2015/2452 of 2 December 2015, insurance and reinsurance companies must publish the following reporting templates as a minimum, as part of their Solvency and Financial Condition Report:

a) Reporting template S.02.01.b

b) Reporting template S.05.01.b

c) Reporting template S.05.02.b

d) Reporting template S.12.01.b no disclosures

e) Reporting template S.17.01.b

f) Reporting template S.19.01.b

g) Reporting template S.22.01.b

h) Reporting template S.23.01.b

i) Reporting template S.25.01.b

j) Reporting template S.25.02.b no disclosures

k) Reporting template S.25.03.b no disclosures

l) Reporting template S.28.01.b

m) Reporting template S.28.02.b no disclosures

You can find these reporting templates (QRT) in this

Appendix I:

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Reporting unit: [illegible]
Qualifying date: [illegible]
Export date: [illegible]

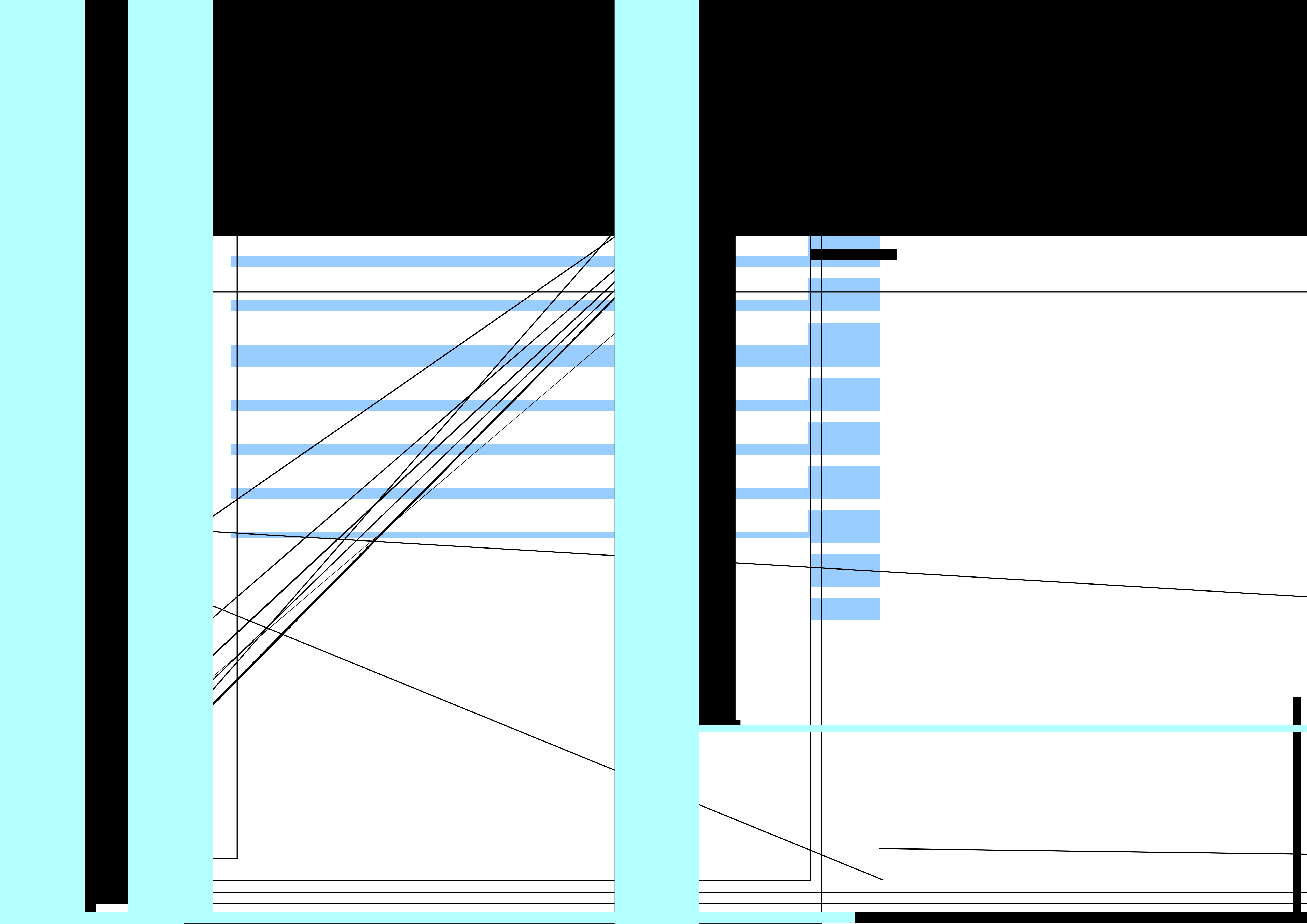
Balance sheet

Assets		Solvency II value	Statutory accounts value
		C0010	C0020
Goodwill	R0010		
Deferred acquisition costs	R0020		
Intangible assets	R0030	0.00	
Deferred tax assets	R0040	4,887,620.00	0.00
Pension benefit surplus	R0050		
Property, plant & equipment held for own use	R0060	3,228,780.00	910,680.00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	983,426,520.00	986,827,932.00
Property (other than for own use)	R0080		
Holdings in related undertakings, including participations	R0090	31,894,000.00	44,407,204.00
Equities	R0100	1,476,560.00	1,476,554.00
Equities - listed	R0110		
Equities - unlisted	R0120	1,476,560.00	1,476,554.00
Bonds	R0130	937,719,970.00	929,292,699.00
Government Bonds	R0140	266,070,450.00	263,041,170.00
Corporate Bonds	R0150	670,766,530.00	665,412,887.00
Structured notes	R0160		
Collateralised securities	R0170	882,990.00	838,642.00
Collective Investments Undertakings	R0180		
Derivatives	R0190	3,598,830.00	2,914,318.00
Deposits other than cash equivalents	R0200	8,737,160.00	8,737,157.00
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230	35,543,480.00	35,543,470.00
Loans on policies	R0240		
Loans and mortgages to individuals	R0250		
Other loans and mortgages	R0260	35,543,480.00	35,543,470.00
Reinsurance recoverables from:	R0270	1,385,269,880.00	1,819,159,624.00
Non-life and health similar to non-life	R0280	1,385,269,880.00	1,819,159,624.00
Non-life excluding health	R0290	1,384,345,530.00	1,819,159,624.00
Health similar to non-life	R0300	924,350.00	0.00
Life and health similar to life, excluding health and index-linked and unit-linked	R0310		
Health similar to life	R0320		
Life excluding health and index-linked and unit-linked	R0330		
Life index-linked and unit-linked	R0340		
Deposits to cedants	R0350	82,117,940.00	58,610,667.00
Insurance and intermediaries receivables	R0360	328,471,780.00	624,297,769.00
Reinsurance receivables	R0370	15,673,660.00	18,537,816.00
Receivables (trade, not insurance)	R0380	10,799,720.00	34,306,902.00
Own shares (held directly)	R0390		

Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400		
Cash and cash equivalents	R0410	98,398,090.00	98,398,092.00
Any other assets, not elsewhere shown	R0420		
Total assets	R0500	2,947,817,470.00	3,676,592,952.00

		Solvency II value	Statutory accounts value
Liabilities		C0010	C0020
Technical provisions - non-life	R0510	2,061,298,900.00	2,467,434,634.00
Technical provisions - non-life (excluding health)	R0520	2,048,929,740.00	2,467,434,634.00
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540	1,994,149,030.00	
Risk margin	R0550	54,780,710.00	
Technical provisions - health (similar to non-life)	R0560	12,369,160.00	
Technical provisions calculated as a whole	R0570		
Best Estimate	R0580	11,468,650.00	
Risk margin	R0590	900,510.00	
Technical provisions - life (excluding index-linked and unit-linked)	R0600		
Technical provisions - health (similar to life)	R0610		
Technical provisions calculated as a whole	R0620		
Best Estimate	R0630		
Risk margin	R0640		
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650		
Technical provisions calculated as a whole	R0660		
Best Estimate	R0670		
Risk margin	R0680		
Technical provisions - index-linked and unit-linked	R0690		
Technical provisions calculated as a whole	R0700		
Best Estimate	R0710		
Risk margin	R0720		
		8,142,920.00	8,083,002.00
		14,514,300.00	0.00
		-1,667,090.00	-1,667,085.00
		-10.00	0.00
		103,460.00	0.00
		-9,175,050.00	-11,138,806.00
		27,516,430.00	26,900,785.00
		239,352,890.00	525,025,373.00
		24,841,400.00	24,841,422.00
		13,907,500.00	13,907,608.00

Total liabilities	R0900		
Excess of assets over liabilities	R1000		



Appendix I:

S.05.02.b.non-life

Reporting unit:	RC780
Qualifying date:	2021-12-31
Export date:	2022-03-25 / 14:26:42

Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
	R0010			(US) United States	(DE) Germany	(CH) Switzerland	(CN) China	(LU) Luxembourg
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110	28,555,742.66	151,611,273.16	18,664.80	4,558,728.92	118,491,170.02	-13,033.24	0.00
Gross - Proportional reinsurance accepted	R0120	30,526,226.45	1,144,711,376.70	838,149,893.78	181,157,644.56	22,790,273.66	25,026,867.08	47,060,471.17
Gross - Non-proportional reinsurance accepted	R0130	29,703,676.26	167,067,530.74	-4,306,611.78	118,150,645.45	23,519,657.55	163.26	0.00
Reinsurers' share	R0140	39,786,149.67	1,074,013,858.95	722,731,563.84	158,014,741.93	133,506,210.00	20,052,612.12	-77,418.61
Net	R0200	48,999,495.70	389,376,321.65	111,130,382.96	145,852,277.00	31,294,891.23	4,961,384.98	47,137,889.78
Premiums earned								
Gross - Direct Business	R0210	28,676,371.20	149,033,103.65	69,680.76	4,296,445.90	116,002,046.93	-11,441.14	0.00
Gross - Proportional reinsurance accepted	R0220	41,738,957.31	1,123,279,811.90	810,054,991.72	178,206,034.00	24,413,347.11	22,977,857.03	45,888,624.73
Gross - Non-proportional reinsurance accepted	R0230	28,639,607.40	197,869,329.84	-4,294,762.90	150,897,474.67	22,370,235.18	110,942.15	145,833.34
Reinsurers' share	R0240	38,422,051.46	963,809,625.23	627,114,881.55	155,343,057.77	122,425,655.90	20,761,614.52	-257,635.97
Net	R0300	60,632,884.45	506,372,620.16	178,715,028.03	178,056,896.80	40,359,973.32	2,315,743.52	46,292,094.04
Claims incurred								
Gross - Direct Business	R0310	12,404,402.90	58,665,358.64	22,677.12	150,000.00	46,088,278.62	0.00	0.00
Gross - Proportional reinsurance accepted	R0320	-30,940,421.01	756,760,042.59	527,636,535.98	-6,651,667.56	255,838,966.94	841,255.48	10,035,372.76
Gross - Non-proportional reinsurance accepted	R0330	-30,260,946.45	112,587,452.74	-14,389,191.15	157,724,950.67	-3,527,133.49	114.66	3,039,658.50
Reinsurers' share	R0340	-64,609,361.41	684,979,507.74	418,602,866.47	36,554,526.34	294,431,297.12	179.22	0.00
Net	R0400	15,812,396.85	243,033,346.23	94,667,155.48	114,668,756.77	3,968,814.95	841,190.92	13,075,031.26
Changes in other technical provisions								
Gross - Direct Business	R0410	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross - Proportional reinsurance accepted	R0420	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross - Non-proportional reinsurance accepted	R0430	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reinsurers' share	R0440	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	R0500	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses incurred	R0550	12,319,011.33	36,018,369.23	21,709,887.04	7,050,441.27	-9,411,211.31	567,066.42	3,783,174.48
Other expenses	R1200							
Total expenses	R1300		36,018,369.23					

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														7,329,930.00	3,173,250.00	43,610,950.00	54,114,130.00
						-45,690.00	-2,410.00	546,200.00	171,378,580.00			14,275,160.00					186,151,840.00
												0.00					0.00
	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
	8,829,820.00	161,950.00		7,771,190.00	1,921,850.00	66,285,600.00	841,819,410.00	680,435,010.00	-131,660,730.00			14,094,280.00	3,377,400.00	149,543,400.00	28,712,350.00	390,007,390.00	2,061,298,920.00
	8,187,370.00	152,780.00		7,159,500.00	1,770,480.00	63,739,640.00	838,485,130.00	665,034,640.00	-131,660,750.00			13,690,920.00	3,128,480.00	137,965,810.00	27,176,700.00	370,787,000.00	2,005,617,700.00
	8,845,430.00	162,180.00		7,791,710.00	1,927,190.00	66,414,240.00	844,731,060.00	682,899,690.00	-132,058,010.00			14,123,930.00	3,386,830.00	149,887,110.00	28,742,300.00	390,785,150.00	2,067,638,810.00

Appendix I:

Reporting unit:

Qualifying date:

Export date:

Impact of long term guarantees measures and transitional

		Amount with Long Term Guarantee measures and transitionals	Impact of the Long Term Guarantee measures and transitionals (Step-by-step approach)								
			Without transitional on technical provisions	Impact of transitional on technical provisions	Without transitional on interest rate	Impact of transitional on interest rate	Without volatility adjustment and without other transitional measures	Impact of volatility adjustment set to zero	Without matching adjustment and without all the others	Impact of matching adjustment set to zero	Impact of all LTG measures and transitionals
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions	R0010					0.00	2,067,638,800.00				6,339,900.00
Basic own funds	R0020	419,855,060.00	419,855,060.00		419,855,060.00					0.00	
Excess of assets over liabilities	R0030	568,981,820.00						-1,301,597.00	567,680,223.00		
Restricted own funds due to ring-fencing and matching portfolio	R0040		0.00	0.00	0.00						
Eligible own funds to meet Solvency Capital Requirement	R0050	551,384,330.00	551,384,330.00						550,082,732.00	0.00	
Tier I	R0060							-1,577,694.00	413,389,746.00		
Tier II	R0070			0.00	131,529,270.00						0.00
Tier III	R0080	4,887,620.00	4,887,620.00	0.00						0.00	
Solvency Capital Requirement	R0090				392,787,317.57	0.00	393,153,069.00				365,751.43
Eligible own funds to meet Minimum Capital Requirement	R0100	414,967,440.00					413,389,746.00		413,389,746.00	0.00	-1,577,694.00
Minimum Capital Requirement	R0110				122,098,935.56	0.00		277,757.44			

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	568,981,820.00
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	149,126,760.00
Other basic own fund items	R0730	267,946,160.00
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	151,908,900.00
Expected profits		
Expected profits included in future premiums (EPIFwETBTlS801.75 501.75 m801.75 491.7 l6.05 T Tf2ETBTlS801.75 501.T1 0 0 1 736.91 506.8Expected p1.71 40.5 42x(R0760)Tj0 Tr15 Tfluded i.5 42x801.75 481.65 m8 4QEPIFwETt 641.66 496.25 Tm75 501.75 m801.75 491.7 l6.05 T Tf2ETBTlS801.75NtT8-l01.T1 0 0 1 736.91 506.8Expected p1.7ETt 641.66 4		
		107,998,990.00
		107,998,990.00

Appendix I:

S.25.01.b

Reporting unit: RC780
Qualifying date: 2021-12-31
Export date: 2022-03-25 / 14:28:46

Solvency Capital Requirement - for undertakings on Standard Formula

Article 112? (Y/N)	Z0010	(2) Regular reporting

Basic Solvency Capital Requirement

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	89,920,489.30	89,920,489.30	
Counterparty default risk	R0020	91,335,134.44	91,335,134.44	
Life underwriting risk	R0030	0.00	0.00	
Health underwriting risk	R0040	1,173,062.75	1,173,062.75	
Non-life underwriting risk	R0050	242,606,875.22	242,606,875.22	
Diversification	R0060	-89,526,647.84	-89,526,647.84	
Intangible asset risk	R0070	0.00	0.00	
Basic Solvency Capital Requirement	R0100	335,508,913.87	335,508,913.87	

Appendix I:

S.25.01.b

Reporting unit:	RC780
Qualifying date:	2021-12-31
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Article 112? (Y/N)	Z0010	(2) Regular reporting

		C0100
Calculation of Solvency Capital Requirement		
Adjustment due to RFF/MAP nSCR aggregation	R0120	0.00
Operational risk	R0130	60,207,570.96
Loss-absorbing capacity of technical provisions	R0140	0.00
Loss-absorbing capacity of deferred taxes	R0150	-2,929,167.26
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0.00
Solvency Capital Requirement excluding capital add-on	R0200	392,787,317.57
Capital add-on already set	R0210	0.00
Solvency capital requirement	R0220	392,787,317.57
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	(4) No adjustment
Net future discretionary benefits	R0460	0.00

S.25.01.b

RC780
2021-12-31
2022-03-25 / 14:28:46

(2) Regular reporting

(1) Yes

	4,887,620.00	
	730,160.00	
	4,157,460.00	
	-10.00	
		-2,929,167.26
		-2,929,167.26
		-2,929,167.26

Appendix I:

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Reporting unit:	[illegible]
Qualifying date:	[illegible]
Export date:	[illegible]

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	122,098,935.56

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	7,558,825.71	2,767,582.60
Income protection insurance and proportional reinsurance	R0030	108,304.86	208,647.12
Workers' compensation insurance and proportional reinsurance	R0040	0.00	0.00
Motor vehicle liability insurance and proportional reinsurance	R0050	7,159,507.65	0.00
Other motor insurance and proportional reinsurance	R0060	1,770,474.23	0.00
Marine, aviation and transport insurance and proportional reinsurance	R0070	29,742,769.51	13,060,196.77
Fire and other damage to property insurance and proportional reinsurance	R0080	39,293,570.01	21,518,477.48
General liability insurance and proportional reinsurance	R0090	179,936,903.85	38,632,831.98
Credit and suretyship insurance and proportional reinsurance	R0100	0.00	0.00
Legal expenses insurance and proportional reinsurance	R0110	0.00	0.00
Assistance and proportional reinsurance	R0120	0.00	0.00
Miscellaneous financial loss insurance and proportional reinsurance	R0130	4,778,169.25	26,006,280.29
Non-proportional health reinsurance	R0140	2,912,468.29	0.00
Non-proportional casualty reinsurance	R0150	135,878,559.98	31,465,666.79
Non-proportional marine, aviation and transport reinsurance	R0160	17,929,655.08	26,191,985.47
Non-proportional property reinsurance	R0170	222,929,758.66	20,141,237.91

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	

Appendix I:

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Reporting unit:	[illegible]
Qualifying date:	[illegible]
Export date:	[illegible]

		C0070
Overall MCR calculation		
Linear MCR	R0300	122,098,935.56
SCR	R0310	392,787,317.57
MCR cap	R0320	176,754,292.91
MCR floor	R0330	98,196,829.39
Combined MCR	R0340	122,098,935.56
Absolute floor of the MCR	R0350	3,700,000.00
Minimum Capital Requirement	R0400	122,098,935.56

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